With the dip in the housing market has come a corollary decrease in new home construction.

According to one recent estimate, construction spending on all new homes fell by 22 percent in 2007. The decline was even greater for single family homes—25 percent.

With another 4 percent dip in 2008, residential construction spending will be down to \$254 billion in 2008 from \$384 billion in 2005.

While this is not good news for the Nation's builders, at least it tells us that the U.S. housing market is functioning rationally. As the supply of housing tightens, demand and prices will once again go up. This leads many economists to believe that housing markets will turn the corner sooner rather than later.

In the meantime, however, we have a deadly economic mix of declining housing prices, interest rate volatility, and adjustable rate mortgages that are beginning to reset. When this convergence of events takes place and is followed by a certain unnecessarily punitive and totally unfair provision in our Tax Code, life becomes even more burdensome for some of our most vulnerable families and communities.

Let me explain why.

Adjustable rate mortgages are a product that provides an opportunity for millions of families to achieve home ownership. Because they pose less risk to lenders, these mortgages can be a more affordable product that allows families to purchase homes while assuming the risk that interest rates will increase.

Yet because of the easy availability of adjustable rate mortgages, some people took out very high mortgages and according to the Wall Street Journal, there are 17 percent adjustable rate mortgage holders who cannot make their payments on time.

We are currently witnessing how well private industry will be able to handle this problem on its own. The Nation's largest mortgage lender, Countrywide Financial, announced that it is modifying the terms of \$16 billion in adjustable rate mortgages. Thirty thousand have already restructured their loans, and Countrywide intends to contact 52,000 borrowers to see if they would like to restructure their loans as well.

Still, the declines in the Nation's housing markets have left two groups particularly vulnerable.

First, there are those who sell their homes for less than the outstanding amount of the mortgage.

Second, there are those who are unable to make their mortgage payments and suffer foreclosure.

As I mentioned earlier, the Tax Code effectively kicks these folks while they are down.

The Internal Revenue Code defines income very broadly.

And when lenders forgive mortgage debt in a short-sale or a foreclosure, the borrower has technically received taxable income. Yet this is phantom income, and it makes little sense to have these financially vulnerable families getting a form 1099 and an increased tax liability for income they never received.

This makes little sense as public policy. And it is inequitable as tax policy.

Section 121 of the Internal Revenue Code allows the exclusion of up to \$250,000—or \$500,000 on a joint return—of gain on the sale of a home. Few people realize gains in excess of this statutory exclusion. And for those who do, those gains are taxed at lower capital gains rates.

Yet if a family is in such a dire financial situation that it is losing its home or selling it at a loss, the phantom gain on these transactions is taxed at ordinary income rates.

With adjustable rate mortgages being reset, growing housing inventory, and declining housing prices, too many people will be getting a 1099 form in the mail telling them that they owe income taxes on this debt forgiveness.

This is not the way it ought to be.

Our legislation would remedy this problem by excluding this debt forgiveness from gross income.

There is precedent for this. Congress provided similar relief in the wake of Hurricane Katrina.

Given the ramifications of housing market declines, we should extend this needed relief to all Americans who find themselves receiving this kind of phantom income.

Yes, we would forgo some tax revenue by making this simple, fair, and commonsense change to our tax laws, but the House has found a reasonable offset that is supported by the housing industry so the net effect to the Federal budget should be zero.

As I stated earlier, it is time to act. I am not sure what the delay is.

The drop in the housing market and the problems with adjustable rate mortgages are no longer breaking news. It has been nearly 6 months since this bipartisan legislation was introduced. It has been over 2 months since the President indicated he supported this legislation and wanted to get it signed into law.

This Congress seems to have ground to a halt.

You can hear crickets chirping on the Senate floor lately. To say we are too busy to address this important legislation is simply false.

The lack of quick action on this legislation is no longer acceptable.

I urge my colleagues to support S. 1394 and for the Senate to pass this legislation as soon as possible. Families in need and vulnerable communities demand that we act.

# $\begin{array}{c} {\tt MOTORCOACH} \ {\tt ENHANCED} \ {\tt SAFETY} \\ {\tt ACT} \end{array}$

Mr. BROWN. Mr. President, on March 1, 2007, the Bluffton University baseball team left Ohio for a tournament in Florida.

Early the next morning on Interstate 75 in Atlanta, their trip came to a trag-

ic halt when their motorcoach, attempting to exit the highway, fell off an overpass and landed on its side on the road below.

The crash resulted in the deaths of five members of the baseball team: Tyler Williams, Cody Holp, Scott Harmon, Zack Arend, David Joseph Betts. The driver, Jerome Niemeyer, and his wife Jean were also killed in the crash. Many of the other 33 passengers were treated for injuries.

For John Betts, who lost his son David in the crash, it was important to take the accident and make it into something positive, in honor of his son and the other bright, talented young men who died that morning. Motorcoach safety became his crusade.

Mr. Betts has been interviewed by the media, local and national, bringing to light the need for stronger motorcoach safety regulations.

He has called for seatbelts for all passengers as well as other regulations that lower the risk of injury or fatality in accidents.

Mr. Betts sees upgrading the safety laws for motorcoaches as an opportunity to save the lives of future riders.

More importantly, he sees it as a way to memorialize David and his teammates and, as he puts it, to make the world they lived in better than it was when they left it.

Sadly, the Bluffton University baseball team's fatal accident was not unique. We have witnessed story after story about motorcoach accidents.

While the investigation into the cause of the crash is ongoing, one thing is clear—stronger safety regulations could have minimized the fatalities resulting from this crash.

The Motorcoach Safety Enhancement Act, which I introduced today along with Senator Hutchison, would address the shortfall in safety regulations for motorcoaches.

Many of the injuries sustained in motorcoaches could be prevented by incorporating high-quality safety technologies that exist today but are not widely used, such as crush-proof roofing and glazed windows to prevent ejection.

More basic safety features, such as readily accessible fire extinguishers and seatbelts for all passengers, are still not required on motorcoaches.

As a father of four, I find it particularly disturbing to know students are still riding in vehicles without even the option of buckling up.

I applaud Mr. Betts and the other Bluffton parents for their courageous fight in the midst of so much personal pain.

Seatbelts, window glazing, fire extinguishers—these are not new technologies. These are commonsense safety features that are widely used.

And they are features that the National Transportation Safety Board recommends be enacted into law. Yet they have been languishing for years.

The Motorcoach Safety Enhancement Act would instruct the Secretary of Transportation to enact these and other safety features. It would put a timeframe on final rulings so these safety requirements do not spend any more time in limbo.

This bill takes the lessons learned from the tragic events of the Bluffton University baseball team's motorcoach accident, and aims to correct them for future riders.

It is my hope that in the future, parents will not have to endure the anguish and grief that John Betts and the other family members experienced.

I hope for swift consideration of this bill.

#### ADDITIONAL STATEMENTS

## RECOGNIZING THE STUDENT CONSERVATION ASSOCIATION

• Mr. GREGG. Mr. President, today I honor the 50th anniversary of the Student Conservation Association. Over these last five decades, the SCA has led the way in promoting the importance of conservation service and stewardship. Its staff and supporters have made an extraordinary commitment to instilling this ethic in our country's young people. While it is headquartered in my home State of New Hampshire, the SCA's reach and influence go far beyond the borders of New Hampshire. Since its founding in 1957 by Elizabeth C. Titus Putnam, nearly 50,000 SCA volunteers have worked to protect the critical natural habitats and threatened wildlife in our country's parks, forests, and urban green spaces. Its members can be found in all 50 States. as well as Canada, Mexico, Brazil, Germany and Latvia. In 2006 alone, 4,000 volunteers logged 1.6 million service hours at 511 separate sites. In past years, they worked to restore the Everglades following the devastation Hurricane Hugo left behind and to repair the damage to Yellowstone National Park following the fires which damaged that park in 1988. This year, they were chosen to lead the Northwest Recovery at Mount Ranier and other parks in that region of the United States following the floods of 2006. It is, in fact, the largest conservation service program in the country.

Those numbers and facts are impressive, but they do not fully convey the central role this organization plays in strengthening the quality of life in the United States. The thousands of volunteers and interns clearly have relished meeting the obligation we all have to protecting the vital natural areas in our country. Their unique dedication and enthusiasm have made them great role models and leaders. These qualities explain why such Federal agencies as the Bureau of Land Management, U.S. Forest Service, U.S. Fish and Wildlife Service, and the U.S. Armed Forces all have partnered with the SCA and are the reason the White House, National Wildlife Federation, and the National Park Service have recognized the SCA's achievements.

The prime architect behind the SCA is Elizabeth Titus Putnam, and I am especially pleased to honor her. It is a great reflection on her character that the vision she developed 50 years ago became a reality. Her energy and passion for environmental protection have touched countless people and demonstrate why the SCA continues to be an effective and vibrant organization.

For these reasons, I am proud to be a member of the 50th Anniversary Honorary Committee. I hope all the alumni and current volunteers will long remember the deep impact they have made on communities from Maine to Hawaii and from Alaska to Florida. Happy Birthday to the Student Conservation Association and my best wishes for continued success.

## RETIREMENT OF BRIGADIER GENERAL WILLIAM T. BESTER

• Mr. INOUYE. Mr. President, I wish to recognize the service of a great public servant, outstanding Army officer, and dedicated academic leader.

In his latest stint of public service, BG William T. Bester, U.S. Army retired, distinguished himself by exceptionally meritorious service to the Graduate School of Nursing, Uniformed Services University of the Health Sciences, Bethesda, MD, as acting dean from 10 July 2006 to 30 December 2007.

During this period, the outstanding leadership and ceaseless efforts of General Bester resulted in major contributions to the Graduate School of Nursing, GSN, and to the Uniformed Services University, USU. He assumed his duties during a period of significant change and growth in the history of the GSN and the USU. He lead efforts in dealing with substantial change in the GSN: planning for a new psychiatric/mental health nurse practitioner master's option, facilitating the merger of the GSN and Navy nurse anesthesia master's option, fostering renewed collaboration with the Federal nursing service chiefs, FNSCs, assisting the USU with the search for a new brigade commander and GSN dean, and dealing with base closure and realignment strategy and requirements. He focused on every issue with unwavering directness, a spirit of community participation, collegial respect, enthusiasm, and a wonderful sense of humor and fair play. His leadership brought about a change in GSN character and personality that is visible at every level of USU. His tenure has been marked by strong, supportive relationships with senior USU leaders, an increase in FNSC collaboration and trust resulting in additional senior scholars assigned to the Nursing Science Doctoral Program and new educational program opportunities and increased student involvement in and enthusiasm for the school and the university.

Working closely with my office, he was instrumental in solidifying DOD core budgeting for the GSN. He negotiated an expansion of faculty research

support with the School of Medicine and the USU vice president for research. He established a sense of calm and collaborative team building by fostering a common vision, always listening to the faculty and staff issues, and addressing their concerns. As a genuine and dedicated ambassador of the university, General Bester often represented the USU president at external senior level meetings. His career interdisciplinary leadership experiences and the respect he maintains within the Department of Defense always provided credibility as spokesperson when he represented the university and president. These same qualities allowed him to be an essential advisor to President Rice during a time of significant change within USU, on the Bethesda campus, and in emerging military and Federal health cooperative concerns. Brigadier General Bester's total dedication to service in all aspects of his leadership of the Graduate School of Nursing and his exceptional leadership contributions to USU reflect an unsurpassed commitment to maintaining the highest standards for military and Federal health nurse education at the Uniformed Services University. The distinctive accomplishments of Brigadier General Bester reflect great credit upon himself, the Department of Defense, and the Uniformed Services University.

The Uniformed Services University of the Health Sciences continues to fulfill our vision as a key part of the Nation's academic health education enterprise because of the dedication of its faculty and administrative leadership. General Bester exemplifies the best of the best. We owe a debt of gratitude for his years of public service, and I wish to take this opportunity to thank him along with his family: his wife Cheryl, his son Jason, daughter Jodi, and grandsons Will and Jake.

We wish General Bester Godspeed as he returns to his family and Texas where his children and grandchildren now live.●

## RECOGNIZING JORDAN-FERNALD FUNERAL HOMES

• Ms. SNOWE. Mr. President, I wish to recognize Jordan-Fernald Funeral Homes, an outstanding small business in my home State of Maine that exemplifies the best of Maine's community spirit. Founded in 1860 by the Fernald family, Jordan-Fernald is now in its fourth and fifth generations of ownership. Over the years, the Fernalds purchased several Jordan Funeral Home locations to become Jordan-Fernald in 2004. Currently, four Fernalds siblings—Bill, Tom, and Lauri, along with their father, Robert-co-own the business

Presently maintaining funeral homes in four towns in Hancock County, the Fernalds have always prided themselves on their stalwart commitment to the ever-changing needs of the local communities. For example, Bill participates in a local project to prepare